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EX PARTE OR LATE FILED

James K. Smith
Director
Federal Relations

July 7, 1997

Mr. William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, NW
Room 222
Washington, DC 20554

RECEIVED
JUL - 7 1997
FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Re: Ex Parte Statement
CC Docket 97-30 and 96-98

Dear Mr. Caton:

On Thursday, July 3, 1997, Mr. Ed Wynn, General Counsel, Ameritech Information Industry Services, Ms. Lynn Starr and I met with Mr. Jim Schlichting, Mr. Ed Krachmer and Mr. Tom Power of the Competitive Pricing Division to discuss Ameritech's experience in being billed reciprocal compensation for traffic destined to the Internet Service Providers.

Reference was made to the letters attached hereto. In addition, the Ameritech representatives responded to questions posed by staff pertaining to routing functionality contained in unbundled local switching.

Sincerely,

Attachment

cc: J. Schlichting
T. Power
E. Krachmer

cc: J. Schlichting
T. Power
E. Krachmer

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July 3, 1997

Mr. Jim Washington
Teleport Communication Group
Vice President, Carrier Relations
Princeton Technology Center
429 Ridge Road
Dayton, NJ 08810

Dear Mr. Washington:

It has come to our attention that Teleport Communication Group (TCG) has been billing Ameritech for Reciprocal Compensation for non-Local Traffic in error. Although Ameritech is not yet able to identify the total amount of such non-Local Traffic, Ameritech believes that TCG has been terminating traffic destined for Internet Service Providers and has been incorrectly billing Ameritech Reciprocal Compensation for this traffic.

As such, we feel it important to remind you of the billing terms regarding Reciprocal Compensation as stated in the Interconnection Agreements between our respective companies. According to Section 5.6.1 of the Interconnection Agreements, Reciprocal Compensation *only applies* to Local Traffic terminated on the terminating party's network. In addition, Section 5.6.2 specifically provides that Reciprocal Compensation arrangements in the Interconnection Agreement[s] *do not apply* to Exchange Access Service. Traffic destined for Internet Service Providers is Exchange Access Traffic and therefore under our Interconnection Agreement, Reciprocal Compensation does not apply to this type of traffic. Instead, this traffic would be subject to the Meet-Point Billing Arrangements in Article VI of the Interconnection Agreements had the FCC not exempted such traffic from access charges.

In order to rectify any Reciprocal Compensation billing discrepancies, it is imperative that we immediately discuss a process for identifying all non-Local Traffic for which either company has incorrectly paid Reciprocal Compensation to the other company. Once the amount of incorrect payments is identified in accordance with our Interconnection Agreements (Section 27.5.1), Ameritech expects that each party will reimburse or credit the other party for any incorrectly paid Reciprocal Compensation.

Mr. Jim Washington
July 3, 1997
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Ameritech estimates that approximately 68.61% of TCG's Reciprocal Compensation for Michigan and 74.28% of TCG's Reciprocal Compensation for Illinois' billings incorrectly include traffic destined for Internet Service Providers. On a going-forward basis, Ameritech will not pay that percentage of TCG's bills for Reciprocal Compensation in each state, based on that state's percentage. Of course, this would be subject to further adjustments once Ameritech is able to determine the actual amounts that have been incorrectly billed. Similarly, Ameritech will show an interim credit of a determined percentage on Ameritech's Reciprocal Compensation billings to TCG to reflect any amounts that Ameritech may have incorrectly billed to TCG. Pursuant to Article XVIII of our Interconnection Agreements, Ameritech is willing to discuss appropriate resolution of any disputed amounts, including entering into an appropriate escrow agreement upon mutually-agreeable terms and conditions under which both Parties would pay these disputed amounts into an escrow account pending a determination of the specific amounts that have been paid in error by either Party.

We hope that this clarifies the billing procedures for Reciprocal Compensation. If you have any questions about this matter, please call Paul Monti, at 312-335-4699 or Sue Springsteen, at 248-424-0758.

Sincerely,

Thomas J. Lamb

Thomas J. Lamb
Vice President, Finance



cc: General Counsel, TCG



July 3, 1997

Mr. Martin Cliff
Director of Regulatory Affairs
Brooks Fiber Properties, Inc.
2855 Oak Industrial Drive
NE Grand Rapids, MI 49506

Dear Mr. Cliff:

It has come to our attention that Brooks Fiber Properties has been billing Ameritech for Reciprocal Compensation for non-Local Traffic in error. Although Ameritech is not yet able to identify the total amount of such non-Local Traffic, Ameritech believes that Brooks Fiber Properties has been terminating traffic destined for Internet Service Providers and has been incorrectly billing Ameritech Reciprocal Compensation for this traffic.

As such, we feel it important to remind you of the billing terms regarding Reciprocal Compensation as stated in the Interconnection Agreements between our respective companies. According to Section 5.7.1 of the Interconnection Agreements, Reciprocal Compensation *only applies* to Local Traffic terminated on the terminating party's network. In addition, Section 5.7.2 specifically provides that Reciprocal Compensation arrangements in the Interconnection Agreement[s] *do not apply* to Exchange Access Service. Traffic destined for Internet Service Providers is Exchange Access Traffic and therefore under our Interconnection Agreement, Reciprocal Compensation does not apply to this type of traffic. Instead, this traffic would be subject to the Meet-Point Billing Arrangements in Article VI of the Interconnection Agreements had the FCC not exempted such traffic from access charges.

In order to rectify any Reciprocal Compensation billing discrepancies, it is imperative that we immediately discuss a process for identifying all non-Local Traffic for which either company has incorrectly paid Reciprocal Compensation to the other company. Once the amount of incorrect payments is identified in accordance with our Interconnection Agreements (Section 27.5.1), Ameritech expects that each party will reimburse or credit the other party for any incorrectly paid Reciprocal Compensation.

Mr. Martin Cliff
July 3, 1997
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Ameritech estimates that approximately 36.44% of Brooks Fiber Properties' Reciprocal Compensation billings for Michigan incorrectly include traffic destined for Internet Service Providers. On a going-forward basis, Ameritech will not pay this percentage of Brooks Fiber Properties' bills for Reciprocal Compensation in Michigan. Of course, this would be subject to further adjustments once Ameritech is able to determine the actual amounts that have been incorrectly billed. Similarly, Ameritech will show an interim credit of a determined percentage on Ameritech's Reciprocal Compensation billings to Brooks Fiber Properties to reflect any amounts that Ameritech may have incorrectly billed to Brooks Fiber Properties. Pursuant to Article XVIII of our Interconnection Agreements, Ameritech is willing to discuss appropriate resolution of any disputed amounts, including entering into an appropriate escrow agreement upon mutually-agreeable terms and conditions under which both Parties would pay these disputed amounts into an escrow account pending a determination of the specific amounts that have been paid in error by either Party.

We hope that this clarifies the billing procedures for Reciprocal Compensation. If you have any questions about this matter, please call Kay Heltsley, at 810-948-0375 or Sue Springsteen, at 248-424-0758.

Sincerely,

Thomas J. Lamb

Thomas J. Lamb
Vice President, Finance

(GAS)

cc: President, Brooks Fiber Properties, Inc.
Regional Vice-President, Brooks Fiber Properties, Inc.



July 3, 1997

Mr. Dennis Wall
Senior Manager, Northern Carrier
MCImetro
205 N. Michigan Ave. Suite 3700
Chicago, IL 60601

Dear Mr. Wall:

It has come to our attention that MCImetro has been billing Ameritech for Reciprocal Compensation for non-Local Traffic in error. Although Ameritech is not yet able to identify the total amount of such non-Local Traffic, Ameritech believes that MCImetro has been terminating traffic destined for Internet Service Providers and has been incorrectly billing Ameritech Reciprocal Compensation for this traffic.

As such, we feel it important to remind you of the billing terms regarding Reciprocal Compensation as stated in the Interconnection Agreements between our respective companies. According to Section 4.7.1 of the Interconnection Agreements, Reciprocal Compensation *only applies* to Local Traffic terminated on the terminating party's network. In addition, Section 4.7.2 specifically provides that Reciprocal Compensation arrangements in the Interconnection Agreement[s] *do not apply* to Exchange Access Service. Traffic destined for Internet Service Providers is Exchange Access Traffic and therefore under our Interconnection Agreement, Reciprocal Compensation does not apply to this type of traffic. Instead, this traffic would be subject to the Meet-Point Billing Arrangements in Article VI of the Interconnection Agreements had the FCC not exempted such traffic from access charges.

In order to rectify any Reciprocal Compensation billing discrepancies, it is imperative that we immediately discuss a process for identifying all non-Local Traffic for which either company has incorrectly paid Reciprocal Compensation to the other company. Once the amount of incorrect payments is identified in accordance with our Interconnection Agreements (Section 27.5.1), Ameritech expects that each party will reimburse or credit the other party for any incorrectly paid Reciprocal Compensation.

Mr. Dennis Wall
July 3, 1997
Page Two

Ameritech estimates that approximately 64.64% of MCImetro's Reciprocal Compensation billings for Illinois incorrectly include traffic destined for Internet Service Providers. On a going-forward basis, Ameritech will not pay this percentage of MCImetro's bills for Reciprocal Compensation in Illinois. Of course, this would be subject to further adjustments once Ameritech is able to determine the actual amounts that have been incorrectly billed. Similarly, Ameritech will show an interim credit of a determined percentage on Ameritech's Reciprocal Compensation billings to MCImetro to reflect any amounts that Ameritech may have incorrectly billed to MCImetro. Pursuant to Article XVIII of our Interconnection Agreements, Ameritech is willing to discuss appropriate resolution of any disputed amounts, including entering into an appropriate escrow agreement upon mutually-agreeable terms and conditions under which both Parties would pay these disputed amounts into an escrow account pending a determination of the specific amounts that have been paid in error by either Party.

We hope that this clarifies the billing procedures for Reciprocal Compensation. If you have any questions about this matter, please call Dora Ross, at 312-335-6547 or Sue Springsteen, at 248-424-0758.

Sincerely,

Thomas J. Lamb

Thomas J. Lamb
Vice President, Finance

(GR)

cc: Director, Carrier Relations, MCI Carrier Relations
General Counsel, MCImetro Access Transmission Services, Inc.



July 3, 1997

Mr. Jerry Zimmerman
MFS Intelenet, Inc.
Senior Manager, Operations
800 S. Wells
Chicago, IL 60607

Dear Mr. Zimmerman:

It has come to our attention that MFS has been billing Ameritech for Reciprocal Compensation for non-Local Traffic in error. Although Ameritech is not yet able to identify the total amount of such non-Local Traffic, Ameritech believes that MFS has been terminating traffic destined for Internet Service Providers and has been incorrectly billing Ameritech Reciprocal Compensation for this traffic.

As such, we feel it important to remind you of the billing terms regarding Reciprocal Compensation as stated in the Interconnection Agreements between our respective companies. According to Section 5.8.1 of the Interconnection Agreements, Reciprocal Compensation *only applies* to Local Traffic terminated on the terminating party's network. In addition, Section 5.8.3 specifically provides that Reciprocal Compensation arrangements in the Interconnection Agreement[s] *do not apply* to Exchange Access Service. Traffic destined for Internet Service Providers is Exchange Access Traffic and therefore under our Interconnection Agreement, Reciprocal Compensation does not apply to this type of traffic. Instead, this traffic would be subject to the Meet-Point Billing Arrangements in Article VI of the Interconnection Agreements had the FCC not exempted such traffic from access charges.


In order to rectify any Reciprocal Compensation billing discrepancies, it is imperative that we immediately discuss a process for identifying all non-Local Traffic for which either company has incorrectly paid Reciprocal Compensation to the other company. Once the amount of incorrect payments is identified in accordance with our Interconnection Agreements (Section 27.5.1), Ameritech expects that each party will reimburse or credit the other party for any incorrectly paid Reciprocal Compensation.

Mr. Jerry Zimmerman
July 3, 1997
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Ameritech estimates that approximately 41.40% of MFS's Reciprocal Compensation for Michigan and 37.92% of MFS's Reciprocal Compensation for Illinois' billings incorrectly include traffic destined for Internet Service Providers. On a going-forward basis, Ameritech will not pay that percentage of MFS's bills for Reciprocal Compensation in each state, based on that state's percentage. Of course, this would be subject to further adjustments once Ameritech is able to determine the actual amounts that have been incorrectly billed. Similarly, Ameritech will show an interim credit of a determined percentage on Ameritech's Reciprocal Compensation billings to MFS to reflect any amounts that Ameritech may have incorrectly billed to MFS. Pursuant to Article XVIII of our Interconnection Agreements, Ameritech is willing to discuss appropriate resolution of any disputed amounts, including entering into an appropriate escrow agreement upon mutually-agreeable terms and conditions under which both Parties would pay these disputed amounts into an escrow account pending a determination of the specific amounts that have been paid in error by either Party.

We hope that this clarifies the billing procedures for Reciprocal Compensation. If you have any questions about this matter, please call Eric Larsen, at 312-335-6764 or Sue Springsteen, at 248-424-0758.

Sincerely,

Thomas J. Lamb
Thomas J. Lamb 
Vice President, Finance

cc:

Director, Regulatory Affairs - Central Region, MFS Intelenet of Michigan, Inc.
Director, Regulatory Affairs - Central Region, MFS Intelenet of Illinois, Inc.